

SCL ELECTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.10 Preparation of consolidated financial statements

The financial statements contain information about SCL Elections Limited as an individual company and do not contain consolidated financial information as the parent of a small group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Employees

The average monthly number of employees, including directors, during the year was 46 (2015 - 33).

4. Dividends

	2016 £	2015 £
Dividends paid	117,764	-
	<u>117,764</u>	<u>-</u>

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5. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 January 2016	7,084	64,847	71,931
Additions	26,500	-	26,500
At 31 December 2016	<u>33,584</u>	<u>64,847</u>	<u>98,431</u>
Depreciation			
At 1 January 2016	1,680	20,364	22,044
Charge for the period on owned assets	2,916	12,969	15,885
At 31 December 2016	<u>4,596</u>	<u>33,333</u>	<u>37,929</u>
Net book value			
At 31 December 2016	<u>28,988</u>	<u>31,514</u>	<u>60,502</u>
At 31 December 2015	<u>5,405</u>	<u>44,483</u>	<u>49,888</u>

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6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2016	678
At 31 December 2016	678
Net book value	
At 31 December 2016	678
At 31 December 2015	678

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding
SCL USA Inc	USA	Ordinary	100 %
Cambridge Analytica(UK) Limited (formerly SCL USA Limited)	UK	Ordinary	100 %

7. Debtors

	2016 £	2015 £
Trade debtors	145,512	7,107
Amounts owed by related undertakings	869,595	928,119
Other debtors	348,773	201,418
Prepayments and accrued income	3,318,531	851,575
	4,682,411	1,988,219

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8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	712,159	575,206
Amounts owed to related undertakings	1,760,023	597,196
Corporation tax	556,055	-
Other taxation and social security	89,870	66,408
Other creditors	4,615	332,706
Accruals and deferred income	907,564	290,475
	<u>4,030,286</u>	<u>1,861,991</u>

9. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	184,487	5,125
Later than 1 year and not later than 5 years	34,750	-
	<u>219,237</u>	<u>5,125</u>

10. Related party transactions

The Company has taken advantage of the exemption within Section 33 of FRS 102 not to disclose transactions with other wholly owned members of the group.

The Company owns a 19.0% share in Cambridge Analytica LLC, a US entity in which Alexander Nix is a board member. £24.2m (2015: £12.4m) income was received from this entity during the year and no costs were due by the Company in respect of losses incurred by the entity. There was no cost of this investment. At the year end, the Company was owed £869,595 (2015: £922,440) by this entity.

At the year end, Alexander Nix owed £NIL to (2015: £8,506) SCL Elections Limited. The loan was interest free and has been paid in full during the year.

11. Controlling party

The ultimate controlling party throughout the period was Alexander Nix.

12. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.